



**DEBRA BOWEN | SECRETARY OF STATE**  
**STATE OF CALIFORNIA | ELECTIONS**

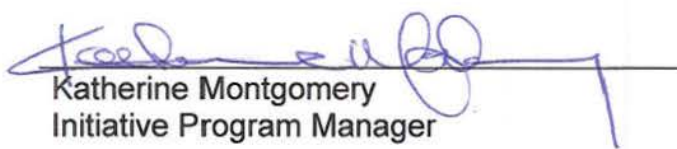
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August 12, 2011

County Clerk/Registrar of Voters (CC/ROV) Memorandum #11059

TO: All County Clerks/Registrars of Voters and Proponent

FROM:

  
Katherine Montgomery  
Initiative Program Manager

RE: Initiative: 1495, Related to Auto Insurance

Pursuant to Elections Code section 9004 (c), we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed initiative measure entitled:

**CHANGES LAW TO ALLOW AUTO INSURANCE  
COMPANIES TO SET PRICES BASED ON A DRIVER'S  
HISTORY OF INSURANCE COVERAGE. INITIATIVE STATUTE.**

The proponent of the above-named measure is:

Mike D'Arelli  
1029 J Street, Suite 120  
Sacramento, CA 95814

(916) 283-9473

#1495

**CHANGES LAW TO ALLOW AUTO INSURANCE  
COMPANIES TO SET PRICES BASED ON A DRIVER'S  
HISTORY OF INSURANCE COVERAGE. INITIATIVE STATUTE.**

**CIRCULATING AND FILING SCHEDULE**

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1. Minimum number of signatures required: ..... 504,760  
California Constitution, Article II, Section 8(b)
2. Official Summary Date: ..... Thursday, 08/11/11
3. Petitions Sections:
  - a. First day Proponent can circulate Sections for  
signatures (Elections Code § 336) ..... Thursday, 08/11/11
  - b. Last day Proponent can circulate and file with the county.  
All sections are to be filed at the same time within each  
county. (Elections Codes §§ 9014, 9030(a)) ..... Monday, 01/09/12\*
  - c. Last day for county to determine total number of  
signatures affixed to petitions and to transmit total  
to the Secretary of State (Elections Code § 9030(b)) ..... Friday, 01/20/12  
  
(If the Proponent files the petition with the county on a date prior to  
01/09/12, the county has eight working days from the filing of the petition  
to determine the total number of signatures affixed to the petition and to  
transmit the total to the Secretary of State) (Elections Code § 9030(b).)
  - d. Secretary of State determines whether the total number  
of signatures filed with all county clerks/registrars of  
voters meets the minimum number of required signatures  
and notifies the counties ..... Sunday, 01/29/12\*\*
  - e. Last day for county to determine total number of qualified  
voters who signed the petition, and to transmit certificate  
with a blank copy of the petition to the Secretary of State  
(Elections Code §§ 9030(d)(e)) ..... Tuesday, 03/13/12

\* Date adjusted for official deadline, which falls on a weekend/holiday (Elec. Code § 15).

\*\* Date varies based on the date of county receipt.

**INITIATIVE #1495**

**Circulating and Filing Schedule continued:**

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(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 01/29/12, the last day is no later than the thirtieth working day after the county's receipt of notification). (Elections Code §§ 9030(d)(e).)

- f. If the signature count is more than 555,236 or less than 479,522 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 479,522 and 555,236 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures (EC §9030(f)(g); 9031(a)) .....Friday, 03/23/12\*
- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State. (Elections Code §§ 9031(b)(c)). ..... Friday, 05/04/12

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 03/23/12, the last day is no later than the thirtieth working day after the county's receipt of notification.) (Elections Code §§ 9031(b)(c).)

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient (Elections Code §§ 9031(d), 9033)...Tuesday, 05/08/12\*

\*Date varies based on the date of county receipt.



## IMPORTANT POINTS

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- California law prohibits the use of signatures, names and addresses gathered on initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fundraising or requests for support. Any such misuses constitutes a crime under California law. Elections Code § 18650; *Bilofsky v. Deukmejian* (1981) 124 Cal.App.3d 825, 177 Cal.Rptr. 621; 63 Ops.Cal.Atty.Gen. 37 (1980).
- Please refer to Elections Code §§ 100, 101, 104, 9008, 9009, 9013, 9021, and 9022 for appropriate format and type consideration in printing, typing and otherwise preparing your initiative petition for circulation and signatures. Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- Your attention is directed to the campaign disclosure requirements of the **Political Reform Act of 1974**, Government Code section 81000 et seq.
- When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- When filing the petition with the county elections official, please provide a blank petition for elections official use.

**KAMALA D. HARRIS**  
**Attorney General**

**State of California**  
**DEPARTMENT OF JUSTICE**



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August 11, 2011

The Honorable Debra Bowen  
Secretary of State  
Office of the Secretary of State  
1500 11th Street, 6th Floor  
Sacramento, CA 95814

Attention: Ms. Katherine Montgomery  
Elections Analyst

Dear Secretary Bowen:

Pursuant to Elections Code section 9004, you are hereby notified that on this day we sent our title and summary for the following proposed initiative to the proponent:

- 11-0013, Amdt. #1-S. "2012 Automobile Insurance Discount Act"

A copy of that title and summary and text of the proposed initiative is enclosed. Please contact me if you have questions.

Sincerely,

DAWN L. MCFARLAND  
Acting Initiative Coordinator

For KAMALA D. HARRIS  
Attorney General

DLM:

**FILED**  
In the office of the Secretary of State  
of the State of California

AUG 11 2011

VIA EMAIL  
AFTER 5:00pm

Debra Bowen, Secretary of State  
By Deputy Secretary of State

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**CHANGES LAW TO ALLOW AUTO INSURANCE COMPANIES TO SET PRICES  
BASED ON A DRIVER'S HISTORY OF INSURANCE COVERAGE. INITIATIVE**

**STATUTE.** Changes current law to permit insurance companies to set prices based on whether the driver previously carried auto insurance with any insurance company. Allows insurance companies to give proportional discounts to drivers with some prior insurance coverage. Will allow insurance companies to increase cost of insurance to drivers who have not maintained continuous coverage. Treats drivers with lapse as continuously covered if lapse is due to military service or loss of employment, or if lapse is less than 90 days. Summary of estimate by

Legislative Analyst and Director of Finance of fiscal impact on state and local government:

**Probably no significant fiscal effect on state insurance premium tax revenues. (11-0013.)**





11-0013 Amdt. #1S

RECEIVED

JUN 21 2011

June 20, 2011

Ms. Krystal M. Paris  
Initiative Coordinator  
Office of the Attorney General  
1300 I Street  
Sacramento, CA 95814

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

RE: Initiative 11-0013  
2012 Automobile Insurance Discount Act

Dear Ms. Paris:

We appreciate the continued courtesy of the Attorney General's Office. The American Agent's Alliance, by and through Mike D'Arelli, American Agent's Alliance Executive Director and proponent of the 2012 Automobile Insurance Discount Act Initiative, submits the following minor amendment to the initiative.

The goal of the initiative is to increase access to affordable automobile insurance by allowing a discount for drivers who continuously maintained auto insurance coverage, even if changing their insurance company. In Section 4(b)(1) we have made the following amendment.

SECTION 4. Section 1861.023 is added to the Insurance Code to read:

(a) Notwithstanding section 1861.02(a)(4), an insurance company may use continuous coverage as an optional auto insurance rating factor for any insurance policy subject to section 1861.02.

(b) For purposes of this section, "Continuous coverage" shall mean uninterrupted automobile insurance coverage with any admitted insurer or insurers, including coverage provided pursuant to the California Automobile Assigned Risk Program or the California Low Cost Automobile Program.

~~(1) Continuous coverage shall be deemed to exist even if there is a lapse in coverage due to an insured's absence from the state while in military service.~~

*(1) Continuous coverage shall be deemed to exist if there is a lapse in coverage due to an insured's active military service.*

Again, thank you for your time. We look forward to working with you.

Sincerely yours,

Mike D'Arelli  
Proponent, 2012 Automobile Insurance Discount Act

SECTION 1. Title.

This measure shall be known as the 2012 Automobile Insurance Discount Act.

SECTION 2. The people of the State of California find and declare that:

- (a) Under California law, the state Department of Insurance regulates insurance rates and determines what discounts auto insurance companies can give to drivers.
- (b) It is in the best interest of California insurance consumers to be allowed to receive discounted prices if they have continuously followed the state's mandatory insurance laws, regardless of which insurance company they have used.
- (c) A consumer discount for continuous automobile coverage rewards responsible behavior. That discount should belong to the consumer, not the insurance company.
- (d) A personal discount for maintaining continuous coverage creates competition among insurance companies and is an incentive for more consumers to purchase and maintain automobile insurance.

SECTION 3. Purpose.

The purpose of this measure is to allow California insurance consumers to obtain discounted insurance rates if they have continuously followed the mandatory insurance law.

SECTION 4. Section 1861.023 is added to the Insurance Code to read:

- (a) Notwithstanding section 1861.02(a)(4), an insurance company may use continuous coverage as an optional auto insurance rating factor for any insurance policy subject to section 1861.02.
- (b) For purposes of this section, "Continuous coverage" shall mean uninterrupted automobile insurance coverage with any admitted insurer or insurers, including coverage provided pursuant to the California Automobile Assigned Risk Program or the California Low Cost Automobile Program.

~~(1) Continuous coverage shall be deemed to exist even if there is a lapse in coverage due to an insured's absence from the state while in military service.~~

(1) Continuous coverage shall be deemed to exist if there is a lapse in coverage due to an insured's active military service.

(2) Continuous coverage shall be deemed to exist even if there is a lapse in coverage of up to 18 months in the last 5 years due to loss of employment resulting from a layoff or furlough.

(3) Continuous coverage shall be deemed to exist even if there is a lapse of coverage of not more 90 days in the previous 5 years for any reason.

(4) Children residing with a parent shall be provided a discount for continuous coverage based upon the parent's eligibility for a continuous coverage discount.

(c) Consumers who are unable to demonstrate continuous coverage shall be granted a proportional discount. This discount shall be a proportion of the amount of the rate of reduction that would have been granted if the consumer had been able to demonstrate continuous coverage. The proportion shall reflect the number of whole years in the immediately preceding five years for which the consumer was insured.

SECTION 5. Conflicting Ballot Measures

In the event that this measure and another measure or measures relating to continuity of coverage shall appear on the same statewide election ballot, the provisions of the other measures shall be



deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measures shall be null and void.

#### SECTION 6. Amendment

The provisions of this act shall not be amended by the Legislature except to further its purposes by a statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring.

#### SECTION 7. Severability

It is the intent of the People that the provisions of this Act are severable and that if any provision of this Act, or the application thereof to any person or circumstance, is held invalid such invalidity shall not affect any other provision or application of this Act which can be given effect without the invalid provision or application.